

**Item 1 – Cover Page**

**Form ADV Part 2A: FIRM BROCHURE**



**GTIS PARTNERS LP**

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This Brochure provides information about the qualifications and business practices of GTIS Partners LP ("GTIS" or "Firm"). If you have any questions about the contents of this Brochure, please contact us at (212) 220-5200 or info@gtispartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

GTIS is a registered investment adviser. Registration status with the SEC does not imply a certain level of skill or training.

Additional information about GTIS also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

Since the filing of GTIS' last Brochure filing on March 30, 2020, there have been no material changes. GTIS routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry and Firm practices. In this year's filing, the following Items have been updated:

- Item 4: updated to reflect discretionary assets under management as of December 31, 2020; and
- Item 8: updated description of risks and potential conflicts of interest.

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## Item 4 – Advisory Business

### A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

GTIS Partners LP<sup>1</sup> (the “Firm” or “GTIS”) is a real assets investment Firm headquartered in New York, with offices in Sao Paulo, Brazil; Los Angeles, California; San Francisco, California; Atlanta, Georgia; Paris, France; and Munich, Germany. GTIS was founded in 2005 as a joint venture with GoldenTree Asset Management (“GTAM”). In 2011, GTIS became a registered investment adviser, with GTAM retaining a passive minority shareholder interest. GTIS pursues core-plus, value-added and opportunistic real estate investments, and since inception has as of December 31, 2020, has committed approximately \$4.8 billion in capital to residential, single family rental, retail, industrial, office, infrastructure, hotel, real estate debt, land development and mixed-use projects in the U.S. and Brazil. As of December 31, 2020, GTIS regulatory assets under management were \$3,175,726,881 and gross assets under management were \$4,282,501,392<sup>2</sup>.

GTIS offers investment advisory services to pooled investment vehicles (each a “Fund” and collectively, the “Funds”), to co-investment vehicles (“Co-Investment Vehicles”) and to separate account mandates that generally invest in the same strategies employed by one or more Funds but with modified investment guidelines tailored to the individual objectives of the client (“Separate Accounts” and together with the Funds and Co-Investment Vehicles, the “Clients”). For purposes of this Brochure all references to Funds shall also include Co-Investment Vehicles, unless otherwise noted.

GTIS’ Funds include: (i) closed-ended Funds, where each Investor makes an up-front commitment to contribute a stated amount of capital as called by GTIS for investment, and may not withdraw capital prior to the end of the stated multi-year term of the Fund; and (ii) open-ended Funds, where capital contributions and withdrawals are permitted at stated intervals (on a quarterly basis after an initial lock-up period) at then-current net asset values.

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<sup>1</sup> For purposes of this filing, GTIS Partners LP includes the GTIS relying advisers, fund general partners and affiliates, each as described further herein and in GTIS’ Form ADV Part 1.

<sup>2</sup> Gross assets under management differs from regulatory assets under management, as reported in herein and in GTIS’ Form ADV Part 1, and represents the gross appraised value of assets managed by GTIS and its joint venture partners as of Q4 2020. Figures include minority joint venture partners’ ownership interests where applicable. Figures also include any Investor unfunded commitments to GTIS separate accounts, funds, and co-investment vehicles. For the US GTIS Qualified Opportunity Fund, figures include uninvested cash on the Funds’ balance sheets. Figures exclude both property-level debt as well as working capital at the joint venture or aggregating vehicle entities.

More information about the GTIS Funds is available in GTIS' Form ADV Part 1, Schedule D, Section 7.B.(1) and more information about the GTIS Separate Accounts is available in GTIS' Form ADV Part 1, Item 5.K.

Each Client is managed by a general partner, which has the authority to make investment decisions on behalf of such Client. Each general partner is deemed to be registered under the Investment Advisers Act of 1940 ("Advisers Act") pursuant to GTIS' registration in accordance with SEC guidance. Each general partner has contracted with GTIS or an affiliate for day-to-day management of the Clients. For more information about the general partners of each Client, please see GTIS' Form ADV Part 1, Schedule D, Sections 7.A. and 7.B.(1); more information about GTIS' relying adviser is available in Form ADV Part 1, Schedule R.

InSite Partners LP, which is controlled and principally owned indirectly by Thomas M. Shapiro, GTIS' President and Chief Investment Officer, is the principal owner of GTIS and has voting control over GTIS. GTAM also maintains a minority ownership interest in GTIS Partners LP. For more information about GTIS' owners and executive officers, please see GTIS' Form ADV Part 1, Schedules A and B.

**B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

The principal investment objective of GTIS, on behalf of its Clients, is to seek core-plus, value added and opportunistic real estate related investments that have the potential for significant capital appreciation through development, redevelopment, repositioning or improved management. The investments acquired by GTIS on behalf of its Clients include (depending upon the investment objectives and/or restrictions of each Client) real estate, real estate related loans and equity investments in real estate related joint ventures and operating companies. Some of these investments take the form of private or publicly traded debt and equity securities directly or indirectly secured by real estate.

GTIS seeks to identify investment opportunities and themes on its own or through its relationships with real estate operators and developers, and attempts to validate them with due diligence and research. GTIS' vision of where to find risk-adjusted value in real estate is constantly evolving based on the top-down findings of its dedicated research team as well as the bottom-up recommendations of its experienced investment and asset management teams. GTIS' investment opportunities typically require real estate development or re-development,

obtaining zoning approvals, leasing or similarly improving the sales or operating income of the property.

GTIS seeks to apply its own real estate development, construction management and operational expertise to create value at the property level in its selection of both real estate projects and third-party operating partners. Where feasible, GTIS will generally use its own development and construction personnel for its real estate projects. GTIS also uses its financial and structuring expertise to protect principal, mitigate investment risks and optimize investment returns. The Firm aims to manage its investments through its in-house capability, but also invests in projects with third-party joint venture partners. Such joint venture partners manage much of the day-to-day operations of the real estate projects and add value through investment sourcing, local market knowledge and/or specialized operational/developmental expertise. GTIS' asset management staff maintains an active oversight of the projects and GTIS retains major decision rights as defined in negotiated agreements with each of its joint venture partners.

Services for the Separate Accounts include acquiring, managing and disposing of assets on either a discretionary or a non-discretionary basis, depending on each Client, using similar practices to those mentioned above.

GTIS also sources real estate debt transactions for various accounts.

**C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.**

GTIS does not tailor its advisory services to the individual needs of investors ("Investors") in its Clients; GTIS' investment advice and authority for each Client are tailored to the investment objectives of that Client. These objectives are described in the private placement memorandum, limited partnership agreement, investment management agreement, side letters and other governing documents of the relevant Client (collectively, "Governing Documents").

Investors in Clients generally participate in the overall investment program for the applicable partnership. GTIS has entered into side letters or similar agreements with certain Investors that have the effect of establishing rights under, or altering or supplementing, a Client's partnership agreement. Examples of side letter provisions, restrictions and limitations that GTIS has entered into include reporting provisions, notification provisions, certain fee arrangements, co-investment provisions, "most favored nations" provisions, prohibitions on investing in a particular country, a limitation on how much capital is permitted to be invested in a single investment or a limitation on the incurrence of unrelated business taxable income. Side letters are negotiated at the time of the relevant Investor's capital commitment, and once invested in a

Fund or Client, Investors generally cannot impose additional investment guidelines or restrictions on such Client.

In addition, GTIS advises Separate Accounts on both a discretionary and a non-discretionary basis. The owners of these Separate Accounts have specific investment restrictions and limitations, which are typically set forth in agreements negotiated between GTIS and such Client.

**D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts and (2) explain that you receive a portion of the wrap fee for your services.**

GTIS does not participate in wrap fee programs.

**E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.**

As of December 31, 2020, GTIS managed regulatory assets under management of \$3,175,726,881. Of this amount, \$2,765,352,997 is managed on a discretionary basis and \$410,373,884 is managed on a non-discretionary basis. The calculation of regulatory assets under management duplicates certain assets managed by GTIS to the extent that such assets are invested in other GTIS Clients. Without such duplication, GTIS managed assets, including remaining commitments, are approximately \$3,117,603,232.

## **Item 5 – Fees and Compensation**

**A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

In consideration for the investment management services provided, an affiliate of GTIS receives management fees (“Management Fees”) and GTIS affiliates receive an incentive fee (“Incentive Fee” and together with Management Fees, “Compensation”) from the Clients. GTAM, through its ownership interest in GTIS, also indirectly receives a portion of certain Compensation from the Clients, as described in Item 10.D, below.

Investors should refer to the Governing Documents of the applicable Client for a complete understanding of how GTIS is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.

Management Fees are negotiated on a Client-by-Client basis and are often dependent upon the size of the Investor commitments within each Client. Management Fees were negotiated with the Client Investors during the fundraising period of the applicable Client and are not subject to negotiation thereafter. GTIS is permitted in its sole discretion to reduce or waive all or a portion of the Management Fee, and has done so for GTIS employees and their family members investing in a Client (although such Investors generally pay their pro rata share of certain Client expenses).

In certain cases, related to Clients who only hold single family home rental properties, in lieu of a Management Fee, GTIS receives portfolio services fees. Currently, the portfolio services fees represent 1.5% of net equity invested, as defined in the Client's Governing Documents.

GTIS has elected for some Clients, per the Governing Documents of such Client, to apply the Management Fee payable by a Client to satisfy the capital contribution obligations of the Client sponsor (GTIS). Generally, GTIS charges each Client a Management Fee of up to 2% as specified in each Client's Governing Documents.

Generally, Investors participating in a subsequent closing after the initial closing of a Fund are responsible for paying the Management Fee as of the date of the initial closing of such Fund, plus interest, as applicable.

**B. Incentive Fees to which GTIS may be entitled, depending on performance, are generally 20% of cumulative realized Client profits following the return of Client capital (and the exceeding of a preferred return on such capital), and as described further in Item 6 below and in each Client's Governing Documents. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.**

Management Fees are accrued and payable by the Clients either quarterly in advance or quarterly in arrears, depending on the Client and as detailed in each Client's Governing Documents. In most cases, Management Fees are either paid directly by the Client as a result of a capital call to its Investors or deducted from distributions to Client Investors and remitted to GTIS. Management Fees for the Separate Accounts are either paid as described above or paid directly to GTIS. Other fees (as detailed below in 5.C), are paid either as a result of a capital call notice to Investors, as an investment expense, as a property level expense, as a Fund or Client expense or deducted from distributions to Investors.



**C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.**

As further detailed in the Governing Documents for each Client, Clients, investment joint ventures or investments wholly-owned by Clients pay:

- During an offering period, all the organizational and marketing expenses, up to maximums as detailed in such Client's Governing Documents.
- To the extent permitted under the Client's Governing Documents, all Client-related costs and expenses, including, without limitation, the expenses incurred in connection with investments (whether or not consummated) and the evaluation, acquisition, origination, construction, development, ownership, sale, insuring, hedging or financing of any investment, litigation-related and indemnification expenses, travel, relevant conferences, compliance, custodial, administrative, communication, legal and accounting expenses related to the Client. In many cases, this includes reimbursed out-of-pocket or third-party costs incurred by GTIS on the Client's behalf.
- To the extent permitted under the Client's Governing Documents, reimbursement from some Clients (or in some cases its Clients as well as its joint venture investments in the form of a monitoring fee) for personnel compensation (including base salary, discretionary bonus and benefits) incurred in connection with operating the Clients. Reimbursements permitted vary by Client, but generally include costs of maintaining the Client bank accounts and accounting services, as well as allocations of costs for maintaining the Client general ledger, investment reporting, preparation of the Client financial statements and tax returns, performing in-house legal services, compliance, valuation review and construction and development oversight. In some cases, these costs are partially offset by a community fee paid by third-party joint venture partners.
- A development fee for some investments where GTIS performs or oversees the development duties in-house. Development fees received by GTIS from its Funds are generally offset against Management Fees, unless otherwise specified in the Client's Governing Documents.
- An acquisition fee for some investments where Client Governing Documents permit. In some cases, the acquisition fees are in lieu of Management Fees during the acquisition phase, and in other cases the acquisition fees are earned at the same time as Management Fees.

Feeder Clients (defined in Item 7 below), Co-Investment Vehicles and Separate Accounts pay for their pro rata share of relevant expenses as determined by the relevant Governing Documents of such Client.

GTIS occasionally invests in assets where the investment opportunity is shared with a joint venture partner that provides equity and/or services to the project. Joint venture partners can receive compensation in the form of management fees or incentive allocations when investments outperform certain hurdles. This compensation is typically paid to the joint venture partner by the underlying asset, which is an indirect expense to the Funds.

**D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

As noted above, Management Fees are generally paid on a quarterly basis, and in the case of certain Client arrangements, GTIS is afforded with the right to be paid in advance, but not more than three months in advance. For closed-ended Clients, Management Fees are expected to be paid, except as otherwise described in the relevant Governing Documents, over the term of the Clients, and Investors generally are not permitted to withdraw or redeem interests in the Clients. For open-ended Clients, where Investors are permitted to withdraw (subject to various redemption restrictions), GTIS is only entitled to Management Fees from Investors for the time in which they are Investors, per the Governing Documents.

Investors in GTIS' open-ended Funds may invest or withdraw (entirely or partially) on a quarterly basis, subject to a minimum investment period and certain lock-up rights disclosed in the appropriate Governing Documents. Withdrawing Investors must provide GTIS with proper advance written notice as per the Governing Documents of such Fund.

**E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.**

Neither GTIS nor any supervised person accepts compensation for the sale of securities or other investment products except as described in this Item 5 and in Item 6 and as disclosed throughout this Brochure.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

**If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a Client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.**

GTIS, generally through one of its affiliated entities, is entitled to receive an Incentive Fee from certain Clients. An Incentive Fee represents an adviser's compensation based on a percentage of net profits. For the Funds and Co-Investment Vehicles, GTIS may be entitled to receive an Incentive Fee of generally up to 20% of the cumulative realized Client profits following the return of Client capital (and the exceeding of a preferred return on such capital). For its Separate Account Clients, in the event certain hurdles are met, GTIS is entitled to receive an Incentive Fee of generally up to 35% of cumulative net realized and unrealized profits based on a third party's determination of the fair market value of the Separate Account Client's aggregate net assets under management with GTIS, subject, in certain cases, to a high-water mark. The description of the Separate Account Client's Compensation is set forth in each Separate Account's Governing Documents.

Incentive Fee arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The general partner of each Client may, in its sole discretion, agree to waive all or a portion of this amount, as it does for GTIS employees and their family members investing in a Client.

Clients should be aware that Incentive Fees can be deemed to create a conflict of interest for GTIS, as there can be an incentive for GTIS to make investments that are riskier or more speculative than would be the case in the absence of an Incentive Fee. In addition, the fact that different Clients (and/or different Investors within the same Client) pay different levels of Compensation to the Firm for making the same investments gives rise to certain conflicts of interest. GTIS will at all times act in a manner that it believes to be fair and equitable to its Clients, subject to any investment restrictions and investment capacities of its Clients, as set forth in the Governing Documents of each Client.

GTIS manages multiple Clients with similar investment strategies on a side-by-side basis. As a result of the foregoing, GTIS and/or the general partners have a potential conflict of interest in: (i) allocating their time and activity among the multiple Clients; (ii) allocating investments among the multiple Clients; and (iii) effecting transactions among the multiple Clients, including ones in which GTIS and/or the general partners have a greater financial interest. These conflicts of interest have the potential to create an incentive for GTIS to favor a Client in which it and/or a general partner have a greater financial interest with respect to allocation of time and activity, limited investment opportunities, or investments that GTIS regards as more attractive or better performing. However, GTIS believes this incentive is mitigated due to the fact that: (i) the applicable Governing Documents create limitations on the ability of GTIS to establish new investment funds; (ii) the Funds are subject to certain contractual provisions requiring certain parallel funds to purchase and sell investments contemporaneously; (iii) any losses the Clients sustain will reduce the general partner's Incentive Fee; and (iv) the Incentive Fee is generally calculated only after Investors have received as distribution 100% of their capital contributions plus a preferred return; (v) a general partner often makes a substantial commitment to a Fund to invest its own capital alongside the Investors; and (vi) GTIS' ability to attract future Investors is tied to the performance of its investments.

To address these conflicts of interest, GTIS has implemented policies and procedures to ensure that all Clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities. These policies and procedures, along with each Client's Governing Documents, require GTIS to at all times allocate investments among the Clients in a manner which it believes to be fair and equitable.

GTIS will not allocate investment opportunities based in whole or in part, on (i) the relative fee structure or amount of fees paid by any Client or (ii) the profitability of any Client.

## **Item 7 – Types of Clients**

**Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

GTIS provides discretionary investment advice to (i) Funds that are offered as private placements and organized as limited partnerships or REITs, (ii) to Co-Investment Vehicles, and (iii) to Separate Accounts that invest through limited partnerships (all such entities, GTIS' Clients). Client Investors typically include public pension plans, corporate pension plans, university endowments, foundations, investment companies, insurance companies, sovereign wealth funds, fund-of-funds, banks, trusts, family offices, investment advisers, other institutional

Investors, and high net worth individuals. Investment advice is provided directly to the Clients and not individually to Investors in such Clients.

Each Client generally limits its Investors to persons who are “accredited investors” as defined in the Securities Act of 1933 and/or “qualified clients”, “qualified purchasers” or “knowledgeable employees” as defined in the Investment Company Act of 1940 (“Investment Company Act”). In regard to the Funds, minimum subscription amounts and other Investor suitability requirements are detailed in the respective Client Governing Documents. However, such minimum amounts can be waived by GTIS in its discretion. In regard to the Separate Accounts, the amount of capital to be invested is individually negotiated. The Clients are not registered nor required to be registered under the Investment Company Act, their securities are not registered nor required to be registered under the Securities Act of 1933 and interests are privately placed to qualified investors. Qualified investors include individuals or entities to which Fund interests are allowed to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to GTIS and/or the Funds.

GTIS in its discretion will determine whether it is in the best interest of the Funds to solicit co-investment interests for a portfolio investment. GTIS generally will seek co-investors when an investment opportunity requires additional capital, is larger than the commitment amount a Fund is permitted to make under the Fund’s Governing Documents, when GTIS determines in its sole discretion that the investment amount is larger than is prudent for the Fund to make or when GTIS determines in its sole discretion that allowing a co-investor is in the best interest of a Fund. Co-investment opportunities are generally offered first to those Investors who have indicated an interest in participating in co-investment opportunities during the subscription process and then to all Investors in the applicable Fund. Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund, in general no Investor has a right to participate in any co-investment opportunity and co-investment opportunities may be offered to some, and not all, Investors in the Funds.

In its sole discretion and in accordance with the Governing Documents and its policies and procedures governing co-investment opportunities, GTIS can cause a Fund to invest side-by-side with a co-investor without offering a co-investment opportunity to existing GTIS Investors. Opportunities to co-invest are often made available to any person or entity, including without limitation, strategic Investors, lenders, deal sources, co-sponsors, joint venture partners, other investment advisers and other persons or entities affiliated, associated or otherwise known to GTIS or its employees. Reasons for offering a co-investment opportunity to a third party include,

but are not limited to, instances where a co-investor provides investment opportunities, operating capabilities, financing or other strategic or competitive opportunities or advantages, as further detailed in the Firm's policies and procedures regarding co-investment. Some co-investors are offered rights not offered to other co-investors, such as forced sale provisions.

Co-investments typically involve investment and disposal of interests in the applicable investments at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-investment vehicle will purchase a portion of an investment from one or more Funds after such Fund(s) have consummated their investment (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-investment vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, and the co-investor or co-investment vehicle is, on occasion, charged interest on the purchase to compensate the relevant Fund for the holding period, and generally will be required to reimburse the relevant Fund for related costs.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

**A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.**

GTIS' primary investment objective is to seek core-plus, value-added and opportunistic real estate related investments on behalf of its Clients. GTIS pursues real estate investments in residential, single family rental, retail, industrial, office, hotel, real estate debt, land development and mixed-use projects in the U.S. and Brazil. Investments are usually in the form of direct or indirect ownership interests of, or in, real estate and real estate related loans and equity investments in real estate related joint ventures and operating companies. GTIS' investments also include investments that constitute publicly traded or privately offered equity and debt investments. GTIS also invests in certain liquid investments, including cash and cash equivalents.

GTIS performs extensive due diligence prior to making any investment. In particular, GTIS evaluates potential investments with respect to financial, accounting, tax, legal, market, competitor, employee, joint venture partners, environment, construction, development, architectural, engineering and consumer issues, as well as other issues that may be particular to the proposed transaction.

GTIS focuses on generating optimal risk-adjusted returns by prioritizing capital preservation and risk mitigation in its investments. The GTIS investment process is characterized by several elements of risk management. The Firm seeks downside protection through a substantial margin

of safety in pricing and/or underwriting and seeks to use equity, debt and hybrid capital structures specifically tailored to the situation in order to optimize the investment risk/return profile. GTIS conducts extensive due diligence including a rigorous financial, physical, environmental, legal and tax review. The Firm seeks to diversify portfolio exposures across multiple risk factors including asset classes, strategies and geographies.

Investing in securities involves risk of loss that Clients should be prepared to bear. Typically the investment risks associated with the investment strategies offered by GTIS and the types of investments pursued by GTIS are outlined in a Client's Governing Documents.

**B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

All investing involves risk of loss. Current and prospective GTIS Investors are cautioned that GTIS' investments involve risk, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear those risks. There can be no assurance that any investment, investment program or portfolio will achieve its stated objectives. Client Investors should refer to their respective Governing Documents for a more detailed discussion of risks. Different or new risks not addressed below may arise in the future and, therefore, the following list is not intended to be exhaustive.

For all Funds, the following are some of the more relevant risks to an investment with GTIS:

- *Changes in Market Circumstances.* The success of GTIS' activities will often be affected by international, U.S., regional and local economic and market conditions, including changes in interest rates, currency, instability in certain securities markets, changes in relative valuation of its target investment sectors, changes in the availability of, or the general terms and conditions for, investment financing, shifts in the supply and demand for the types of properties in which GTIS will invest Client funds, changes to the financial resources and solvency of tenants and buyers and sellers of properties, among other factors—any one of which could adversely affect investment returns.
- *Coronavirus.* During 2020, there has been a global outbreak of a novel coronavirus ("COVID-19"), which has forced many countries, including the United States, to declare national emergencies, to institute "stay-at-home" orders, to close financial markets and to restrict operations of non-essential businesses. Such actions are creating significant disruptions in global supply chains, and adversely impacting many industries. COVID-19 could have a

continued and prolonged adverse impact on economic and market conditions and could trigger a period of global economic slowdown. The impact of COVID-19 on companies is evolving rapidly, and the extent and duration of the economic fallout from this pandemic, both globally and to our business, remain unclear, making any estimate or assumption of the pandemic on the Funds managed by the Firm inherently less certain than they would be absent the current and potential impacts of COVID-19. Any public health emergency, including any outbreak of COVID-19 or other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on the Funds.

- *Potential Lack of Diversification.* GTIS intends to limit the impact on financial performance of poorly performing investments by investing in investments of varying types, locations and degrees of risk. However, there can be no assurance that such diversification will be available on acceptable terms. It is possible that GTIS will make a limited number of investments and, as a consequence, the aggregate return and performance of a Client's portfolio can be substantially adversely affected by the unfavorable performance of even a single investment. Furthermore, it is possible that the aggregate return to Clients will be affected by GTIS' strategy to sell, foreclose upon, or refinance an asset once GTIS believes that its strategy has led to maximization of the asset's potential value. That is, aggregate returns can be adversely affected if GTIS is not able to correctly time its refinancing or disposition strategy.
- *Competitive Market.* The activity of identifying, consummating, structuring and realizing property acquisitions utilizing GTIS strategies is highly competitive and involves a high degree of uncertainty. GTIS will be competing for acquisitions with other established Investors with substantial resources and experience. Some of these competitors can have more purchasing and negotiating power than GTIS. It is possible that some of GTIS' current and potential competitors will be able to leverage their existing resources to source and structure acquisitions more efficiently or on better terms than those offered by GTIS. It is possible that competition for acquisitions will increase, thus reducing the number of acquisitions available to GTIS and adversely affecting the terms upon which acquisitions can be made. GTIS can incur significant expenses in connection with identifying acquisition opportunities and investigating other potential acquisitions which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third-party advisers. There can be no assurance that GTIS will be able to locate or consummate acquisitions that satisfy its objective and strategy, or that GTIS will be able to fully invest its capital.

In addition, the availability of investment opportunities generally will be subject to market conditions as well as, in many cases, the prevailing regulatory or political climate. Therefore,



identification of attractive investment opportunities is difficult and involves a high degree of uncertainty, and competition for such opportunities can become more intense. There can be no assurance that GTIS will be able to execute and realize investments that satisfy its objectives.

- *Risks of Potential Leveraging.* Depending upon the Client mandate, GTIS is permitted to use leverage to increase the potential value of the assets to be acquired. While the use of leverage has the potential to enhance returns to Clients and increase the number of investments Clients can make, it also substantially increases the risk of loss to Clients. If GTIS utilizes leverage, the third-party lender would be entitled to cash flow generated by such investment prior to a Client receiving a return. If a Client defaults on secured indebtedness, the lender can foreclose and the Client could lose its entire investment securing such loan. In the instance that several investments held by a Client are cross-collateralized, multiple investments can be subject to the risk of loss.
- *Projections.* The Funds use financial projections to help analyze a potential investment or future capital raises and financing for portfolio investments or other transactions. Projections prepared with respect to the financial performance of an investment in which the Clients invest will be based, in part, on information provided by the seller or borrower of an investment. Projections are only estimates of future results and are based upon assumptions made at the time projections are developed. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio investment to realize projected values. There can be no assurance that the results set forth in the projections will be attained, and actual results can be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.
- *Asset Valuation.* The Clients will provide quarterly and annual reports setting forth the estimated values for all of its investments. Investors will need to rely on the judgment of each Client's management and third-party consultants and appraisers for valuing and pricing such Client investments both for financial statement purposes and in connection with disposing of such investments. A valuation is only an estimate of value and is not a precise measure of realizable value. Ultimate realization of the value of an asset depends to a great extent on economic and other conditions beyond the control of a Client. Further, valuations do not necessarily represent the price at which an investment would sell since market prices of investments can only be determined by negotiation between a willing buyer and seller. If a Client were to liquidate a particular investment, it is possible that the realized value will be more than or less than the appraised valuation of such asset.

- *Sale of Investments.* When selling investments, it is possible that a Client will find it necessary or desirable to provide secondary financing to purchasers. In the event a Client finds it necessary or desirable to provide such secondary financing, a liquidation of the Client can be delayed beyond the anticipated term of the Client until the proceeds are collected. In addition, a Client will be subject to the risk of a default by the buyer with respect to any such secondary financing, and will be subordinated to any primary financing obtained by the buyer.
- *Bridge Financings.* The Clients will, on occasion, provide bridge financing in connection with one or more of its investments. The Clients will bear the risk of any changes in financing markets, which can adversely affect the ability of a borrower to refinance any bridge financings. If the borrower were unable to complete a refinancing, the Client could be left holding an unexpected long-term investment.
- *Hedging Policies and Risks.* In connection with certain investments, GTIS on occasion employs hedging techniques designed to protect a Client against adverse movements in currency rates, interest rates, securities prices and other risks. While hedging transactions have the potential to reduce such risks, they can also result in a poorer overall performance for a Client than if it had not entered into such hedging transactions. In some foreign strategies, the Client does not hedge the majority of the investment; therefore, the Investors are exposed to currency risk which is mitigated through the Investor's own hedging strategy.
- *Counterparty Risk.* It is expected that virtually all investment purchases and dispositions on behalf of Clients will occur in private markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as members of public exchange-based markets. Differing market standards for counterparty credit evaluation have the potential to expose Clients to the risk that a counterparty will not close a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (irrespective of whether bona fide) or because of a credit or liquidity problem, thus causing a Client to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where other events intervene to prevent closing, or where GTIS, on behalf of its Clients, has concentrated its transactions with a particular counterparty or group of counterparties. GTIS is not restricted from dealing with any particular counterparty or from concentrating its transactions with an individual counterparty. Despite the prospect that GTIS' risk management process will incorporate an assessment of counterparty risk, there can be no assurance that such assessment will mitigate counterparty risk.
- *Cybersecurity Risk and Identity Theft.* Cybersecurity incidents and cyber-attacks, both generally and within the financial services industry, have been occurring globally at a more

frequent and secure level and will likely continue to increase in frequency in the future. The Clients, their portfolio investments, their service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Clients and their portfolio investments, despite the efforts of service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Clients and their portfolio investments. For example, unauthorized third parties can attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of, the Clients, their portfolio investments, their service providers, counterparties or data within these systems. Third parties can also attempt to fraudulently induce employees, customers, third-party service providers or other users of such systems to disclose sensitive information to gain access to the confidential data. Although GTIS has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, GTIS, the Clients and/or a service provider thereof would have to make a significant investment to fix or replace system components. The successful penetration or circumvention of the security of these systems, or a breach or failure of these service provider's systems and/or of disaster recovery plans for any reason could cause significant interruptions in GTIS', the Clients' and/or a service provider's operations. This could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors) and proprietary and/or confidential information relating to portfolio investments, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system and costs associated with system repairs. Data taken in such breaches can be used by criminals in identity theft, to commit insider trading, in obtaining loans or payments under false identities and other crimes that could affect the Investors directly as well as affect the value of assets in which a Client invests. Such a breach or failure could harm GTIS', the Clients' and/or a service provider's reputation, subject any such entity and their respective affiliates to legal claims, compliance costs and otherwise affect their business and financial performance. In addition, GTIS would likely incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse Investor reaction or litigation which costs, under certain circumstances, can be borne by a Client.

- *Environmental, Social and Governance (“ESG”) Matters.* Conscientious of economic, social and environmental impact, the GTIS ESG Policy includes business principles and procedures that align GTIS’ strategic decisions and operational activities with its sustainability goals.

GTIS identifies policy measures that are creative, meaningful and provide real solutions to environmental problems, while recognizing the importance of economic growth and building strong infrastructure in society. GTIS understands its role in urban development and real estate investment, and is committed to being a responsible leader in its communities. GTIS applies strict ethical standards and sound business practices to all business deals and assets. The Firm takes into consideration its assets’ impact on the environment and local communities.

GTIS’ mission in ESG matters is, where practical, to invest in assets that generate value for Clients, employees and stakeholders, providing profitability, longevity and sustainable development to ensure value-creation and tangible benefits to the environment and society as a whole.

GTIS is committed to responsible and ethical business practices and intends to apply these practices to its operations. Moreover, GTIS understands its role in social and environmental stewardship and the impact of its real estate on the environment and surrounding communities. GTIS is a leading equity investor in real estate and often structures joint ventures with third-party operators handling the day-to-day development and operation of its assets. In most of these partnerships, GTIS represents the majority-owned limited partner position with major decision rights, while third-party operators typically own a minority share of the equity, along with ongoing fees and other performance-based incentives. As such, in certain instances, GTIS will have limited ability to directly control underlying ESG process, and/or acquire and measure specific Key Performance Indicators (KPIs). However, through the distribution and utilization of its ESG Policy and the implementation of various KPI software, GTIS aspires to consolidate, improve and standardize processes and data across its portfolio.

GTIS is committed to the following, where possible and applicable: European Public Real Estate Association; Global Real Estate Sustainability Benchmark (GRESB); International Labour Organization (ILO) Standards; OECD Guidelines for Multinational Enterprises; and purchasing renewable energy from the free market when possible.

GTIS has developed an ESG Due Diligence Checklist that is to be completed for all new discretionary acquisitions and has specific requirements for standing investments versus

development assets. This checklist for each category of investment can be found in Appendix 1 of GTIS' ESG Policy and ranges from building safety, climate change adaptation, and community impact to energy, water and waste audits.

To read the entirety of the GTIS ESG Policy see: <https://www.gtispartners.com/our-firm-sustainability>.

#### Risks Associated with Real Estate Investment Trust ("REIT") Status

- *General.* GTIS will not make acquisitions it knows at the time raise qualification or penalty tax issues under the REIT provisions of the Internal Revenue Code (the "Code"). Shareholders should be aware, however, that acquisitions that do not appear to present issues under the REIT requirements at origination can later, due to change of circumstance, change of law, change of market opportunities or change of business plan for an acquisition, or other reasons, present issues for REIT qualification.
- *Complying with REIT Requirements Could Have a Material Adverse Effect on Performance.* GTIS uses REITs in various of its Fund structures. To qualify as a REIT, GTIS is required to satisfy tests relating to, among other things, the sources of GTIS' income, the nature and diversification of GTIS' assets, the ownership of GTIS stock and the amounts distributed to Investors, distribution requirements, Investor concentration limitations as well as other requirements. Compliance with the REIT requirements can impair GTIS' ability to operate solely on the basis of maximizing profits. For example, GTIS can, under certain conditions, be required to make distributions to Investors at disadvantageous times or when GTIS does not have funds readily available for distribution. GTIS works closely with its tax advisors to mitigate these risks and to effectively manage its REITs to avoid the tax consequences described in the applicable governing docs should a REIT not qualify under the Code.
- *Costs Associated with Maintaining REIT Status.* The costs of effectively managing a REIT to comply with the Code can be more than the costs incurred to manage other types of investment entities, such as partnerships. These additional costs can include but are not limited to consulting fees to ensure the REIT does not violate applicable REIT rules depicted in the Code. Moreover, any preferred shares to be sold to preferred Investors in order to maintain GTIS' REIT status will accrue dividends at a rate of approximately 10-12% of the liquidation preference per preferred share plus accrued and unpaid dividends thereon and a preference on liquidation in the amount of \$1,000 per preferred share plus accrued and unpaid dividends. Payments and accruals to preferred shareholders will reduce GTIS' net asset value.

**C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

- *General Risks of Real Estate.* All real estate investments, ranging from equity investments to debt investments, are subject to some degree of risk. For example, real estate investments are relatively illiquid and, therefore, tend to limit GTIS' ability to promptly adjust a Client's portfolio in response to changes in economic or other conditions. No assurances can be given that the fair market value of any real estate investments held by a Client will not decrease in the future or that the Client will recognize full value for any investment that the Client is required to sell for liquidity reasons.

In addition, GTIS' ability to realize anticipated sales proceeds, rental and interest income on its equity and debt investments will depend, among other factors, on the financial reliability of buyers, tenants and borrowers; the location and attractiveness of the properties in which it invests; the supply of comparable space in the areas in which its properties are located; and general economic conditions. Other risks include changes in zoning, building, environmental and other governmental laws; changes in operating expenses; changes in real estate tax rates; changes in interest rates and changes in the availability, costs and terms of mortgage funds; energy prices; changes in the relative popularity of properties; the ongoing need for capital improvements; cash-flow risks; construction risks; as well as natural catastrophes, acts of war, terrorism, civil unrest, uninsurable losses and other factors beyond the control of GTIS' management.

Additionally, a Client will, in certain instances, be responsible for structural repairs, improvements and general maintenance of real property. The expenditure of any sums in connection therewith beyond those budgeted for by the Client will reduce the cash available for distribution and potentially require a Client to fund deficits resulting from the operation of a property. No assurance can be given that the Client will have funds available to make such repairs or improvements. These factors and any others that would impede the Client's ability to respond to adverse changes in the performance of its assets could significantly affect the Client's financial condition and operating results.

- *Multifamily Residential Real Estate.* Certain jurisdictions regulate the relationship of an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules, retaliatory evictions and restrictions on a resident's choice of unit vendors. Apartment building owners have been the subject of lawsuits under various "Landlord and Tenant Acts" and other general consumer protection statutes for coercive,

abusive or unconscionable leasing and sales practices. There can be provisions that limit the bases on which a landlord is authorized to terminate a tenancy or increase its rent or prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner's building. In addition to state regulation of the landlord-tenant relationship, numerous towns and municipalities impose rent control on apartment buildings. These ordinances can limit rent increases to certain set percentages, to increases set or approved by a governmental agency, or to increases determined through mediation or binding arbitration. In addition, low-income areas in which GTIS will invest can have a higher concentration of tenants that receive rent subsidies pursuant to governmental assistance programs. These programs can influence tenant mobility and the amount of rent a tenant can pay. It is also possible that certain multifamily properties could be subject to existing regulatory agreements or restrictive covenants that impose limits on the income of the tenants that can lease a unit in the property and/or the rent that is permitted to be charged to tenants.

- *Single-Family Residential Real Estate.* In contrast to multifamily operations, the geographic dispersion of single-family properties creates significantly greater operational and maintenance challenges and, potentially, significantly higher per-unit operating costs. In addition, since each home has unique features, appliances and building materials, renovations, maintenance, marketing and operational tasks will be more varied and demanding than in a typical multifamily setting.
- *Commercial Properties.* Commercial properties can be especially affected by: an economic decline in the business operated by the tenants; the physical attributes of the property and the adaptability of the property with respect to the technological needs of the tenants; the strength and nature of the local economy, including labor costs and quality, tax environment and quality of life for employees; and patterns of telecommuting or sharing of office space, and employment growth (which creates demand for office space). Moreover, the cost of refitting office space for a new tenant is often higher than the cost of refitting other types of properties for new tenants.
- *Industrial Properties.* Although owners of industrial properties are not generally required to expend substantial amounts for general capital improvements (absent Qualified Opportunity Fund ("QOF") "substantial improvement" requirements), tenant improvements or re-leasing costs, various other factors can affect the returns from this type of property in addition to the risks generally applicable to real estate, including, among other things, the design and adaptability of the property and the degree to which it is generally functional for industrial purposes, the proximity to highways and other means for the transportation of goods, the number and diversity of tenants among businesses or industries and the cost of converting a previously adapted space to general use. An industrial property is often more likely to have

one or only a few tenants, which increases the risk that a decline in their operations or their particular business or industry segments can adversely affect the returns from the property. Industrial properties typically have short-term leases, which can increase the risk of vacancies. Additionally, a property designed for a particular use or function can be difficult to re-lease to another tenant or can become functionally obsolete compared to other properties. In addition, because of unique construction requirements of many industrial properties, many vacant industrial property spaces cannot be easily converted to other uses. Thus, if the operations of any industrial property become unprofitable, the liquidation value of that industrial property can be substantially less than would be the case if the industrial property were readily adaptable to other uses. Properties historically used for industrial, manufacturing and commercial purposes are more likely to contain, or have in the past contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. Investing in these properties will cause GTIS to be subject to increased risk of liabilities under environmental laws and regulations. Furthermore, the presence of hazardous or toxic substances, or the failure to properly remediate these substances, can adversely affect GTIS' ability to sell or rent an industrial property.

- *Retail Properties.* In many cases, the tenants of retail properties can negotiate leases containing certain exclusive rights to sell particular types of merchandise or services within a particular retail center. When leasing other space after vacancy by another tenant, these provisions can limit the number and types of prospective tenants for the vacant space. In addition, certain retail properties are anchored by department stores and other large nationally recognized tenants. The value of investments could be materially and adversely affected if these "anchor" tenants fail to comply with their contractual obligations or cease their operations. In particular, certain department stores and other national retailers have experienced, and are expected to continue to experience for the foreseeable future, considerable decreases in customer traffic in their retail stores due to, among other factors, increased competition from alternative retail options such as those accessible via the internet. As pressure on these department stores and national retailers increases, their ability to meet their obligations as a tenant is likely to be impaired and result in closures of their stores or their seeking of lease modifications. Any lease modification could be unfavorable and could decrease rents or expense recovery charges. Other tenants in turn will in some cases be entitled to modify the economic or other terms of, or terminate, their existing leases in the event of closures by the "anchor" tenants.
- *Hospitality Properties.* Because hotel rooms generally are rented for very short periods of time, hospitality properties tend to be affected more quickly by adverse economic conditions and competition than other commercial properties. Hospitality properties are also affected by other particularized factors, including: franchise affiliation (or lack thereof); continuing



expenditures for modernizing, refurbishing and maintaining existing facilities prior to the expiration of their anticipated useful lives; a deterioration in the financial strength or managerial capabilities of the owner and/or operator of a hotel or motel; and changes in travel patterns caused by changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors. The performance of a hotel property affiliated with a franchise or hotel management company depends in part on: the continued existence and financial strength of the franchisor or hotel management company; the public perception of the franchise or hotel chain service mark; and the duration of the franchise licensing or management agreements. Furthermore, the ability of a hotel to attract customers, and some of the hotel's revenues, can depend in large part on its having a liquor license. Liquor licenses will, in certain situations, not be transferable (for example, in connection with a foreclosure). Moreover, the hotel and lodging industry is generally seasonal in nature; different seasons affect different hotels depending on type and location. This seasonality can be expected to cause periodic fluctuations in a hospitality property's room and restaurant revenues, occupancy levels, room rates and operating expenses. In addition, acts of war, terrorist activities, natural disasters and environmental disasters and pandemics can have a material adverse impact on the tourism and convention industries, which directly affects the revenues generated by hospitality properties. Finally, hospitality properties are facing new and increased competition from non-traditional market players, including those focused on the sharing economy, which can disrupt the hospitality industry and reduce demand for traditional hotels.

- *Renewable Energy and Infrastructure Projects.* These projects can be especially affected by: changes in technology, an economic decline in the business operated by any tenants or other counterparties; the physical attributes of the improvements and the adaptability of the improvements with respect to the technological needs of any tenants or other counterparties. Additionally, project revenues can be affected by a number of factors, including economic conditions, political events, competition, regulation and the financial position and business strategy of any customers or counterparties to any concession or similar agreements. Any failure to obtain or maintain any required governmental permits or approvals can lead to fines and other penalties and a loss in profitability. Unanticipated changes in the availability or price of inputs necessary for the operation of these assets can adversely affect the overall profitability of the investment. For instance, investments in these assets can be affected by the prevailing prices of any related commodities. Furthermore, events outside the control of GTIS, such as political action and governmental regulation, demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, toll rates, social stability, competition, natural disasters, changes in weather, changes in demand for products or services, bankruptcy or financial difficulty of a major

customer, or acts of war or terrorism, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring these projects. In turn, this can impair GTIS' ability to repay its debt, make distributions to the shareholders or even result in termination of any applicable concession or other agreement. The long-term profitability of these projects, once they are constructed, is partly dependent upon the efficient operation and maintenance of the assets and asset owning companies. The operations of infrastructure projects can be exposed to unplanned interruptions caused by significant catastrophic events, such as cyclones, earthquakes, landslides, floods, explosions, fires, terrorist attacks, major plant breakdowns, pipeline or electricity line ruptures or other disasters. Operational disruption, as well as supply disruption, could adversely impact the project revenues. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption can result in permanent loss of customers, substantial litigation or penalties for regulatory or contractual non-compliance. Moreover, any loss from such events will not necessarily be recoverable under relevant insurance policies. Business interruption insurance is not always available, or economical, to protect the business from these risks.

- *Investments in Land/New Development and Redevelopment Risks.* GTIS will focus on acquiring interests in undeveloped land or under-developed real property, which often is non-income producing. These and other assets acquired by GTIS can require redevelopment in order to meet GTIS' strategy or as part of the QOF "substantial improvement" requirements. To the extent that GTIS acquires these assets, it will be subject to the risks normally associated with these assets, as well as the risks related to development and redevelopment activities. These risks include: the availability and timely receipt of zoning, building, land use and other regulatory or environmental approvals; the cost and timely completion of construction (including risks beyond the control of GTIS, such as weather or labor conditions, insolvency of building contractors, the inability of contractors to perform their obligations or material shortages); defects in plans and specifications; and the availability of both construction and permanent financing on favorable terms. These risks could result in additional time between the acquisition of an asset and the realization of GTIS' objectives for the asset, substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development or redevelopment activities once undertaken, any of which could have an adverse effect on GTIS. Assets under development or redevelopment, or assets acquired to be developed or redeveloped, often receive little or no cash flow while costs and expenses continue to be incurred from the date of acquisition through the date of completion of development or redevelopment and can continue to experience operating deficits after the date of completion. Further, any delay in completing the development or redevelopment of an asset can result in increased interest and costs and

the potential loss of previously identified purchasers or tenants. In addition, real estate market, economic and other conditions can change during the course of development or redevelopment, making the development or redevelopment less attractive than at the time it was commenced.

- *Ground Leases.* In some instances, GTIS expects to acquire real estate properties or projects that are subject to ground leases. As a lessee under a ground lease, GTIS would be exposed to the possibility of losing the property or project upon termination or an earlier breach by GTIS of the ground lease, which would adversely impact GTIS' investment performance. Furthermore, ground leases generally provide for certain provisions that limit the ability to sell certain properties subject to the lease. In order to assign or transfer rights and obligations under certain ground leases, GTIS will generally need to obtain consent of the landlord of the property or project, which, in turn, could adversely impact the price realized from any sale.
- *Investments Involving Multiple Assets.* Multi-asset acquisitions are often more complex and expensive than single-property acquisitions, and can place additional demands on GTIS. Where multiple assets are acquired as a group, GTIS can be required to purchase all assets as a package rather than declining the assets it does not want. If GTIS is required to purchase one or more assets that it does not wish to acquire as part of a multi-asset transaction, it is possible that it will not be able to identify a buyer to acquire these assets, and thus will be required to operate or attempt to dispose of these assets. In some circumstances, GTIS will also be required to accumulate a large amount of cash to fund the acquisitions. Because of the foregoing, acquiring multiple assets in a single transaction can reduce the overall yield on GTIS' portfolio.
- *Risks Associated with Commercial Mortgage Loans.* Some Clients invest in commercial mortgage loans. The value of a Client's commercial mortgage loans will be influenced by the historical rate of delinquencies, defaults experienced on the commercial mortgage loans and by the severity of loss incurred as a result of such defaults. The factors affecting delinquencies, defaults and loss severity include: (i) industry sector and economic and real estate market conditions (*e.g.* multifamily, retail, office, etc.); (ii) the terms and structure of the mortgage loans; and (iii) any specific limits to legal and financial recourse upon a default under the terms of the mortgage loan. Commercial loans generally expose a lender to a greater risk of loss through delinquency and foreclosure since the ability of the borrower to repay a loan secured by income-producing property typically is dependent primarily upon the successful operation and operating income of such property, rather than upon the existence of independent income or assets of the borrower. Most commercial mortgage loans provide recourse only to specific assets, such as the property, and not against the borrower's other assets or personal guarantees. Commercial mortgage loans generally do not fully amortize,

which can necessitate a sale of the property or refinancing of the remaining debt amount at or prior to maturity of the mortgage loan. Accordingly, Investors in commercial mortgage loans bear the risk that the borrower will be unable to refinance or otherwise repay the mortgage at maturity, thereby increasing the likelihood of a default on the borrower's obligations. Exercise of foreclosure and other remedies typically involve lengthy delays and additional legal and other related expenses on top of potentially declining property values. In certain circumstances, the Clients could become liable upon taking title to an asset for environmental or structural damage existing at the property.

- *Real Estate CDO Securities.* Some Clients target debt and debt-like investment opportunities demonstrating strong current cash flow and/or the potential for value generation. These include, but are not limited to, subordinated classes of collateralized debt obligations ("CDOs"), securities investment vehicles or alternative structured securitizations collateralized primarily by asset-backed securities. Real estate CDO securities are, generally, limited recourse obligations of the issuer thereof payable solely from the collateral owned by such issuer or the proceeds thereof. The holders of real estate CDO securities must rely solely on distributions on the underlying collateral or proceeds for payments in respect thereof. If distributions on the underlying collateral are insufficient to make payments on the CDO securities, no other assets will be available for the payment of a deficiency and following realization of the collateral debt securities, the obligations of an issuer to pay such deficiency shall be extinguished.

The underlying collateral of the real estate CDO securities is subject to credit, liquidity and interest rate risks. Such assets typically consist of loans, structured finance securities and other debt instruments, which can be rated either as investment grade or below investment grade (or of equivalent credit quality). The lower rating of below investment grade loans reflects a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both will impair the ability of the issuer to make payments of principal or interest.

- *Illiquidity.* The types of direct or indirect ownership interests of or in real estate, and real estate related loans and equity investments in real estate-related joint ventures and operating companies held as Client investments, will often require a substantial length of time to liquidate. Accordingly, GTIS' ability to respond to rapid changes in economic and other conditions can be relatively limited. In particular, no assurances can be given that all Client investments will be able to be liquidated on the scheduled time frame. GTIS generally will not be able to sell its Clients' investments held in the form of securities unless their sale is registered under applicable federal and state securities laws or an exemption from such registration requirements is available. In some cases, it is possible that GTIS will be prohibited

by contract from selling investments for a period of time. No assurances can be given that the fair market value of any of the assets held for a Client will not decrease in the future.

- *Insurance.* GTIS will attempt to maintain insurance coverage for its properties against liability to third parties and property damage as is customary for similar businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as earthquakes, floods or terrorism will potentially be unavailable, unavailable at a reasonable cost, available in amounts that are less than the full market value or replacement cost of investments or subject to a large deductible. There can be no assurance that the particular risks that are currently insurable will continue to be insurable at a reasonable cost. If a property suffers an uninsured loss, all or a substantial portion of the investment in the relevant property can be lost. In addition, all of a Client's assets can be at risk in the event of an uninsured liability to third parties.
- *Investment in Distressed Assets.* GTIS originates performing debt investments and is authorized to acquire not only performing but sub-performing or non-performing debt interests as well, which are secured directly or indirectly by real estate. In addition to the risks of borrower default, the collateral has the potential to be mismanaged or otherwise decline in value during periods in which GTIS is seeking to maximize investment value. It is possible that GTIS will find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased or originated by GTIS. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including lender liability claims and defenses, even when such assertions have no basis in fact, in an effort to prolong the foreclosure action. In some states or countries, foreclosure actions can take up to several years to conclude. At any time during the foreclosure proceedings, the borrower can file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process.

Investments in assets operating in workout modes under the U.S. Bankruptcy Code, or the equivalent in non-U.S. jurisdictions, are, in certain circumstances, subject to certain additional potential liabilities which has the potential to exceed the value of the Client's original investment.

It is possible that bankruptcy laws will delay the ability of the Client to realize on collateral for loan positions held by it or adversely affect the priority of such loans through doctrines such as equitable subordination or result in a restructure of the debt through principles such as the "cramdown" provisions of the bankruptcy laws.

- *Variable Rate Mortgages.* Certain investments are subject to financing that provides for adjustments in the interest rate at various monthly, annual or other intervals. An increase in the interest rate as a consequence of any such adjustment: (i) would result in less income to Clients; (ii) can reduce distributions to Clients; (iii) potentially cause negative amortization; and (iv) can cause the sale of an investment prematurely or on less favorable terms than might otherwise be obtained. Similarly, with respect to debt that is based on variable interest rates, Clients are subject to the risk that such interest rates will decline.
- *Third Party Involvement.* Some investments are made on behalf of a Client as: (i) a joint venture partner with the seller of an asset; (ii) an affiliate of the seller; (iii) an Investor unaffiliated with the Client or its affiliates; or (iv) other persons. The foregoing, and other non-specified investment examples involve risks not inherent in other types of investment vehicles, including, for example, the possibility that such entities become insolvent and bankrupt, have economic or business interests or goals inconsistent with those of the Client or otherwise be in a position to take action inconsistent or potentially competing with the Client's objectives, desires or policies. In addition, GTIS is permitted to rely upon the abilities, services or management expertise of an asset servicer or an investment partner. The return on such an investment will therefore depend in large part on the ability of the third-party manager to operate, lease or improve the properties on economically favorable terms. It is possible that GTIS will encounter challenges or resistance to disposing of an interest in an asset that is subject to a servicing contract or a joint venture transaction. A joint venture investment agreement will, at times, grant partners veto powers with respect to major decisions concerning management or disposition of an investment, which could increase the risk of deadlocks and adversely affect investment liquidity, values and returns.
- *Third-Party Servicer.* Certain of a Client's investments comprise securities collateralized by pools of loans or receivables for which certain management functions - such as, for example, payment collection and deposit, record-keeping or reporting with respect to payment collections and deposits - are performed by asset servicers. In the event that a third-party servicer for one of the Client's assets experiences operational or financial difficulties, the Client's investment has the potential to experience payment delay, reduction or suspension, thereby compromising the asset's value. In the event of a servicer bankruptcy or other adverse event, a Client's investment has the potential to experience payment delay, reduction or suspension during a transfer of servicing responsibilities to a conservator or receiver. Further, if a third-party servicer becomes a debtor in a bankruptcy case, a security structure representing the Investor interests of a Client would likely be unable to compel a third-party servicer to continue its servicing responsibilities, thereby compromising the liquidity or value of a Client's investment.

- Litigation at the Property Level.* The acquisition, ownership and disposition of real properties carry certain specific litigation risks, which have the potential to result in losses to Clients. It is possible that litigation will be commenced with respect to a property acquired by a Client in relation to activities that took place prior to the Client's acquisition of such property. It is also possible that litigation will be commenced with respect to a property subsequent to the Client's acquisition of such property. In addition, at the time of disposition for an individual property, it is possible that a potential buyer will claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made if such buyer is passed over in favor of another as part of GTIS' efforts to maximize sale proceeds. Similarly, it is possible that successful buyers will later bring suit under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in their purchase due diligence.
- Alternative Investment Fund Managers Directive.* The EU Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA"). If a Client is actively marketed to Investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available: (i) the Client will most likely be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Client incurring additional costs and expenses; (ii) the Client and/or the general partner will most likely become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which will result in the Client incurring additional costs and expenses or otherwise affect the management and operation of the Client; (iii) the general partner will most likely be required to make detailed information relating to the Client and its investments available to regulators and third parties; and (iv) the AIFMD will, in some instances, also restrict certain activities of the Client in relation to EEA portfolio investments including, in some circumstances, the Client's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to Investors based in those jurisdictions, which can make it more difficult for a Client to raise its targeted amount of commitments.
- Fund Level Borrowing.* The Funds from time to time borrow funds, generally on a short-term basis, or enter into other financing arrangements for various reasons, including to bridge Investor capital calls to pay Fund expenses, Management Fees, or to make or facilitate new or follow-on investments.

To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's Investors generally make later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. Because the interest rate of the borrowed funds is usually less than the preferred return to be earned on called capital, a Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure Investor cash flows) and has the potential to make net IRR calculations higher than they otherwise would be without Fund-level borrowing (especially where financing remains outstanding for longer durations). The general partner therefore has a conflict of interest in deciding whether to borrow funds, because the use of borrowed funds has the potential to accelerate and increase the general partner's Incentive Fee.

Borrowing by a Fund will generally be secured by capital commitments made by the Investors to the Fund and/or by the Fund's assets, and documentation relating to such borrowing can provide that during the continuance of a default under such borrowing, the interests of the Investors can be subordinated to such Fund-level borrowing, and the lenders have the ability to call capital directly from the Investors. Moreover, tax-exempt Investors should note that the use of borrowings by the Fund has the potential to cause the realization of UBTI.

- *Reliance on Joint Venture Partners.* Although each Fund's Board of Directors (or equivalent managing body) will be responsible for monitoring the performance of each investment, it is likely that in many cases GTIS will invest with joint venture partners. While in such cases GTIS intends to partner with strong management teams, there can be no assurance that the joint venture partner's management team existing at the time of investment, or any successor, will be able to operate in accordance with GTIS' plans and expectations.

The following risks are specific to an investment in GTIS' Brazil Funds. Client Investors in GTIS' Brazil Funds should refer to their respective Governing Documents for a more detailed discussion of risks.

- *Foreign Currency and Exchange Rate Risk.* Some Clients will be subject to currency risk exposures due to differences in the timing of capital contributions, income and sales receipts, fee and expense allocations, and return of capital and profit distributions due to foreign currency conversions associated with these events. GTIS is permitted to seek to mitigate these exposures but no assurance can be given that such effort will be undertaken or that it will succeed in limiting any or all foreign exchange risk. Any expense associated with such efforts will be borne by such Clients in proportion to their investments. Given the inherent risks associated with hedging (or not hedging) currency exchange risk exposure, GTIS cannot guarantee the effectiveness of any such hedging efforts.



- *Non-U.S. Investments.* Clients have made investments in real estate and the debt and equity instruments of public or private issuers domiciled outside of the United States, particularly in Brazil. With any investment in a foreign country, there exists certain risks not found in a similar investment in the U.S., including political and economic considerations, such as greater risks of expropriation and nationalization, the potential difficulty of repatriating funds and general social, political and economic instability; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that have the potential to restrict a Client's investment opportunities. In addition, accounting and financial reporting standards that prevail in non-U.S. countries generally are not equivalent to U.S. standards and, consequently, less information can be available to Investors in issuers located in non-U.S. countries than is available to Investors in issuers located in the United States. In addition, laws, regulations and conditions in foreign countries will, in some circumstances, impose restrictions or risks that would not exist in the U.S. and require financing and structuring alternatives which differ from those customarily used in the U.S.
- *Internal Political and Economic Instability.* Historically, the performance of the Brazilian economy has been affected by Brazil's political environment. Political crises have affected investor confidence in Brazil which adversely affects the development of the economy. It is possible that any such development will have a material adverse effect on the Clients' business. The Clients' investments have the potential to be adversely affected by economic destabilization in Brazil and by changes in laws and regulations or the interpretation thereof, including those governing the acquisition of land, the formation of joint ventures, repatriation of currency, anti-inflationary measures, laws governing rates and methods of taxation, and restrictions on currency conversion, imports and sources of supplies.
- *Brazilian Real Estate Industry.* The real estate industry in Brazil is highly competitive and fragmented, and there are no high entry barriers restricting new competitors from entering the market. The main competitive factors in the real estate development business include availability and location of land, price, funding, design, quality, reputation and partnerships with developers. A number of residential and commercial developers and real estate service companies compete with the Brazil Funds in seeking land for acquisition, financial resources for developments and prospective purchasers. Additional companies, including foreign companies, with alliances with local partners, can become active in the real estate development business in Brazil over the next few years, further increasing this competition. In addition, the marketability and value of the Clients' real property interests will depend on many factors beyond the control of the general partner, such as changes in the Brazilian National Monetary Council's policies regarding the application of funds from the Brazilian government's Housing Financial System.

- *Investments in Land/New Development.* The Clients, as an aspect of their investment strategy, acquire direct or indirect interests in undeveloped land or underdeveloped real property in Brazil, which can be non-income producing. To the extent that the Clients invest in such assets, the Clients will be subject to the risks normally associated with such assets and development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of the Clients, such as weather or labor conditions or material shortages) and the availability of financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which would have an adverse effect on the Clients. It is possible that properties under development or properties acquired for development will receive little or no cash flow from the date of acquisition through the date of completion of development and will experience operating deficits after the date of completion. In addition, changes in market conditions during the course of development will potentially make such development less attractive than at the time it was commenced.

The following risks are specific to an investment in GTIS' single family rental ("SFR") strategy. Client Investors in GTIS' SFR strategy should refer to their respective Governing Documents for a more detailed discussion of risks.

- *Asset Class Track Record.* As an institutional asset class, SFR has a relatively short track record and large SFR platforms are still improving their operating process. The asset class does not have an operational track record in a recessionary environment, particularly in regards to occupancy and bad debt resulting from tenant defaults.
- *Distressed Homeowner.* GTIS' strategy targets distressed SFR homes that often involve defaults by homeowners on their home loan obligations. For multiple reasons, distressed homes carry the potential to be in worse physical condition than other similar homes. When homeowners fall behind on their mortgage payments, they frequently cease to maintain the home in good condition, vandalize the home or abandon the home altogether. Vacant and neglected homes are subject to increased risks of vandalism, theft, mold, infestation, general deterioration and other maintenance problems that worsen without appropriate attention and remediation. While exterior and interior visual inspections will be conducted when possible prior to purchase and the Clients' SFR homes are periodically inspected after purchase, it is possible that the Clients' management will not become aware of conditions such as water infiltration, mold or infestation until significant damage has been done to a home. Such damage can require extensive remediation and repairs and require the Clients to provide substitute housing for a resident.

- *Ongoing Maintenance and Capital Expenditures.* The Clients will have ongoing maintenance and capital expenditure responsibilities, which have the potential to result in a loss of capital and divert from day-to-day obligations. Under the leases, the owner of the properties retains certain obligations with respect to the property, including, among other things, the responsibility for maintenance and repair of the property and compliance with other affirmative covenants in the lease. The expenditure of any sums in connection therewith beyond those budgeted for will reduce the cash available for redemption or distribution and potentially require the Clients to fund deficits resulting from operating of a property. No assurance can be given that the Clients will have funds available to make such repairs or improvements. If the Clients were to fail to meet these obligations, then the applicable tenant will, in some cases, be authorized to abate rent or terminate the applicable lease, or claim damages for a failure by the Clients to meet its obligations to repair or improve the property, each of which has the potential to result in a loss of capital invested in, and anticipated profits from, the property to the Clients. In addition, significant capital expenditures, regardless of whether or not they are ultimately successful, typically require a substantial portion of management's time and attention, which carries the potential to divert the management team's time from the day-to-day obligations to the Clients and, in turn, impair the Clients' financial condition and operating results.
- *Risk of Vacancy.* If a Client is unable to lease properties that are partially or completely vacant, it is possible that a Client will be required to recognize an impairment loss with respect to the carrying values of these properties, which carries the potential to seriously harm a Client's operating results and financial condition. Any of the Client's properties could become partially or completely vacant in the future. If a Client is unable to re-lease these properties and generate sufficient cash flow to replace or exceed that amount lost due to the vacancy, a Client will be required to recognize a financial loss as to that property, which can potentially reduce a Client's operating results and ability to make distributions.

The following additional risk applies to an investment in GTIS' Income Fund. Client Investors in GTIS' Income Fund should refer to their respective Governing Documents for a more detailed discussion of risks.

- *Cash Flow.* The Fund's cash flow is not assured. It is possible that the Income Fund will not be able to make redemptions or distributions in the future. In addition, there can be no assurance that the level of distributions from the Income Fund will increase over time or upon the receipt of income from additional property acquisitions will necessarily increase the Income Fund's cash available for redemption or distribution to Investors.

The following additional risks apply to an investment in the Opportunity Zone Fund. Client Investors in GTIS' Opportunity Zone Fund should refer to their respective Governing Documents for a more detailed discussion of risks.

- *General.* The Fund intends to conduct its operations so that it is treated as a QOF within the meaning of Subchapter Z of the Code ("Subchapter Z"). However, no assurances can be provided that the Fund will qualify as a QOF or that, even if it does qualify, the tax benefits will be available to any particular Investor in the Fund.

It is unclear if the new administration inaugurated in January 2021 and Congress will make changes to this legislation and section of the Code. If substantial changes are made, the Fund can change its acquisition program, its strategies, and the investments or types of investments it can make at any time and from time to time in order to comply with any additional legislation or administrative guidance from Congress or the Treasury. Changes can cause the Fund to incur significant costs and/or avoid (or execute on) transactions it otherwise would not have, which could have a material adverse effect on the performance of the Fund. However, the Fund can determine not to, or can be unable to, comply with the additional legislation or administrative guidance in a manner that will allow Investors in the Fund to derive any or all of the tax benefits associated with the QOF program. Although the Fund currently expects to manage its acquisition program in order to qualify as a QOF, no assurance can be provided in this regard.

In the event that under additional legislation or administrative guidance, the Fund will be unable to qualify as a QOF or provide Investors with the anticipated tax benefits due to the Fund's current or anticipated structure, strategies and/or practices (or otherwise), the board, in consultation with the Fund, generally will have a duty to consider whether any changes to the Fund or its investment program can be made in order for the Fund to qualify as a QOF, but will have no obligation to make any such change.

In addition, in the event that parts of the legislation is unclear and additional legislation or administrative guidance is not provided in respect of a particular matter relating to Subchapter Z, the Fund can take certain actions based on its assumptions regarding the interpretation of certain provisions in Subchapter Z and the IRS can assert positions contrary to these assumptions, which could have an adverse impact on the Fund, its status as a QOF, and the tax benefits otherwise afforded to the Investors in the Fund under Subchapter Z. As a result of the foregoing, there can be no guarantee that Investors will be able to take advantage of any of the potential tax benefits described herein.

- *Complying with QOF Regulations Could Have a Material Adverse Effect on Performance.* Complying with Subchapter Z and any legislation or administrative guidance issued in connection with Subchapter Z could have a material adverse effect on the performance of the Fund and/or some or all of the shareholders. Compliance with the 90-Percent Test (defined below) will impair the Fund’s ability to operate solely on the basis of maximizing profits. In addition, in order for shareholders to receive certain of the tax benefits afforded to them under Subchapter Z, it is possible that the Fund will hold an asset for a longer period of time than the Fund’s Board of Directors or the Fund would otherwise determine to be optimal absent legislation. The permitted acquisitions that a QOF can make under Subchapter Z are highly limited, which can result in the Fund being unable to source attractive opportunities, the Fund’s property portfolio being highly concentrated and/or the Fund not taking advantage of opportunities it finds attractive, but that do not comply with the permitted acquisitions under the legislation.

In addition, a QOF, as defined in Section 1400Z-2(d) of the Code, is any investment vehicle that (i) is organized as either a corporation or a partnership for the purpose of investing in “qualified opportunity zone property” (within the meaning of Section 1400Z-2(d)(2) of the Code) (“QOZP”) and (ii) holds at least 90% of its assets in QOZP (the “90-Percent Test”). The 90-Percent Test is applied by measuring the average of the percentage of QOZP held by the QOF (i) on the last day of the first six-month period of each taxable year of the QOF and (ii) on the last day of each taxable year of the QOF. For purposes of the 90-Percent Test, the proposed regulations do not treat cash held directly by a QOF as QOZP. QOZP includes certain interests in “qualified opportunity zone businesses” (or “QOZBs”) and the proposed regulations establish, in the context of defining a “qualified opportunity zone business”, a 31-month working capital safe harbor for businesses that acquire, construct, or rehabilitate tangible business property in a QOZ. The safe harbor allows a QOF, in determining whether a business in which the QOF has invested is a QOZB, to treat the business’s cash, cash equivalents, and debt instruments with a term of 18 months or less as working capital that does not disqualify the business from being a QOZB provided that certain requirements have been satisfied, including: (i) the business has a written plan that identifies the working capital as (A) property held for the acquisition, construction, or substantial improvement of tangible property in the opportunity zone or (B) to develop a trade or business in the QOZ, (ii) the business has a written schedule showing that the working capital will be used within 31 months, and (iii) the business substantially complies with the schedule. The proposed regulations clarify that a QOZB that ultimately needs more than 31 months to comply with such written plan does not lose the benefit of the safe harbor if the delay is attributable to waiting for government action the application for which is completed during the 31-month period. It is unclear whether relief is available in situations where that period is exceeded

due to other circumstances outside the QOZB's control (such as unanticipated construction delays or force majeure events). The QOZB will not necessarily be treated as violating the safe harbor, so long as its expenditure of working capital "substantially complies" with such plan. The proposed regulations do not define "substantially complies" and it is unclear whether subsequent guidance or the final regulations will clarify this standard.

As a result of the above, there can be no guarantee that the Fund will, directly or indirectly, be able to fulfill ongoing expenses related to its operations and investments, including funding property development or improvement costs, which could have a material adverse effect on the Fund and its portfolio. Further, because it is possible that the Fund will be unable to (i) directly hold the cash necessary to fund development costs or other ongoing expenses associated with investments, and (ii) indirectly hold such cash for longer than 31 months, the Fund can be limited in the types of investments in which the Fund can participate. In the event that the Fund is unable to deploy the necessary capital to meet these obligations, the value of the Fund's investments can be significantly diminished. In addition, under these circumstances, the Fund's Board of Directors will be incentivized to invest the Fund's cash in underlying vehicles of the Fund ("Underlying Vehicles") on an expedited basis in order to meet the 90-Percent Test, which can limit the Fund's ability to perform thorough due diligence on any potential acquisitions, result in the Fund making acquisitions that the Fund's Board of Directors would not otherwise have made absent this restriction, or result in the Fund's portfolio being highly concentrated.

- *Failure to Qualify as a QOF.* No assurance can be provided that the Fund will qualify as a QOF. The Fund is permitted to make acquisitions it knows at the time raise qualification or penalty tax issues under the QOF provisions of the Code. Shareholders should also be aware that acquisitions that do not appear to present issues under the QOF requirements at origination can later, due to change of circumstance, change of law, change of market opportunities or change of business plan for an acquisition, or other reasons, present issues for QOF qualification. In addition, the Fund's Board of Directors can determine, in its discretion, to sell an asset on behalf of the Fund even if the sale causes some or all of the shareholders to recognize U.S. federal income tax and/or fail to receive some or all of the benefits of Subchapter Z.

The Fund expects to operate so that it qualifies as a QOF under the Code. However, qualification as a QOF involves the uncertain application of highly complex Code provisions and proposed regulations. Various QOF compliance requirements could be failed and could jeopardize the Fund's QOF status and/or result in the Fund being required to pay a penalty for non-compliance with the 90-Percent Test. New legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more

difficult or impossible for the Fund to qualify as a QOF. If the Fund fails to qualify as a QOF in any tax year, it is possible that some or all of the shareholders will be unable to receive all or a portion of the tax benefits associated with investing in a QOF. There can be no guarantee that the Fund will qualify as a QOF, that a shareholder will be a qualified shareholder, or that, if treated as a qualified shareholder, it will be able to realize, through an investment in the Fund, any potential tax benefits.

### *Conflicts of Interest*

- Each of GTIS' Funds has an advisory board which is established under the respective Fund's Governing Documents. A conflict of interest exists in that not all Investors are asked to join a Fund's advisory board. All Investors are bound by the determinations of the relevant advisory board, regardless of whether an Investor is directly represented by a member of such advisory board. The Governing Documents will provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Funds or any other Investor. Members of the advisory board can have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory board for consideration or review. Members of the advisory board typically have various business and other relationships with GTIS and its members, partners, managers, directors, officers, employees and affiliates. These relationships have the potential to influence their decisions as members of the advisory board. To the extent that an Investor is not directly represented by a member of the advisory board, such Investor will have no influence over matters submitted to the advisory board for review or approval. On any issue involving actual conflicts of interest, GTIS will be guided by its good faith discretion.

In addition, members of one Fund's advisory board can also be a member of another Fund's advisory board. In such instances, a conflict of interest exists because advisory boards would be requested to provide consent with respect to transactions which involve a conflict of interest between two or more Funds on which such Investor advisory board members serve, and such members are unlikely to recuse themselves from any such vote.

- Each Client's Investors include persons or entities resident in various jurisdictions, including the United States and other countries, who often have conflicting investment, tax and other interests with respect to their investments. The conflicting interests of individual Investors relate to or arise from, among other things, the nature of investments made by each Client, the structuring of the acquisition of investments and the timing of the disposition of investments. Such structuring of investments can result in different after-tax returns being realized by different Investors. As a consequence, conflicts of interest can arise in connection with decisions made by GTIS that have the potential to be more beneficial for one Investor

than another Investor, especially with respect to Investors' individual tax situations. GTIS considers the investment and tax objectives of each Client as a whole, and not the individual investment, tax or other objectives of any particular Investor.

- From time to time, GTIS is presented with investment opportunities that are suitable for more than one of the Clients operated by GTIS or advisory affiliates of GTIS. In determining which investment vehicle(s) should participate in such investment opportunities, GTIS and its affiliates are subject to conflicts of interest among the Investors. GTIS attempts to resolve these conflicts of interest in light of its obligations to Investors and attempts to allocate investment opportunities among Investors in a fair and equitable manner in accordance with the relevant Client Governing Documents and GTIS' policies and procedures regarding investment allocation. Where necessary, GTIS is authorized to consult with and/or receive consent to conflicts from the requisite percentage interest of Investors in or an advisory board consisting of Investors in the applicable Clients.
- In certain cases, GTIS will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interest in a Fund. In the case of ordinary transfers, GTIS will not receive compensation for identifying such transferees and will use its discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund Investors.
- Under the Governing Documents with each of its Clients, GTIS is entitled to receive reimbursement from some of its Clients for personnel compensation (including base salary, discretionary bonus and benefits) incurred in connection with operating its investments. Reimbursements include costs of maintaining the Client bank accounts and accounting services, as well as allocations of costs for maintaining the Client general ledger, investment reporting, preparation of the Client financial statements and tax returns, performing in-house legal services, compliance, valuation review and construction and development oversight. These reimbursement costs are calculated by reviewing and calculating employees' time card submissions.
- The Clients have and will from time to time enter into one or more joint venture arrangements with strategic partners that have significant expertise in a particular segment of the real estate industry. Investments made with joint venture partners will on occasion involve performance-based compensation and/or other fees payable to such joint venture partners payable by the joint vehicle or investment, which will reduce the actual returns realized by Investors on their investment in a Client.



- As part of the agreements with its joint venture partners, GTIS also receives compensation reimbursements related to functions performed by GTIS, which reduces the reimbursements absorbed by Client Investors in the amount equal to those made by third-party joint venture operating partners according to the operating partner's pro-rata share of the joint ventures. In some instances the Clients will pay more than their allocable ownership portion of a joint venture's reimbursements. GTIS does not believe this to be a conflict of interest in that any fees received from the joint venture operating partner serve to offset, to some extent, the amount of reimbursements paid by Client Investors. In addition, as mentioned above, joint ventures incur fees and expenses which are borne by the Clients as part of their investment, as specified in each Client's Governing Documents.
- Subject to any relevant restrictions or other limitations contained in the Governing Documents of each Client, GTIS will allocate fees and expenses in a manner that it believes in good faith is fair and equitable under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, GTIS can be faced with a variety of potential conflicts of interest. As a general matter, expenses incurred on behalf of multiple Clients will be allocated among such Clients in accordance with the relevant Governing Documents and GTIS' policies and procedures governing expense allocation. The allocations of such expenses are not always proportional.

A conflict of interest could arise in GTIS' determination of whether certain costs or expenses that are incurred in connection with the operation of the Clients meet the definition of Client operational expenses for which such Client is responsible, whether such expenses should be borne by GTIS. The Clients will be reliant on the determinations of GTIS in this regard. From time to time, it is possible that subsequent review of allocations will result in an identification of expenses that should have been allocated in a different manner, in which case measures will be undertaken to correct such circumstance, which might include a reversal of the original expense allocations, if possible, or such other equitable adjustment believed by GTIS to be the most appropriate corrective measure.

Some expenses are incurred on behalf of one Client which have the potential to benefit other Clients. For example, information GTIS obtains in connection with a Client's research, due diligence and investment activities will be valuable to other Clients. Additionally, tools and resources developed at GTIS' expense will be the intellectual property of GTIS and not the Clients.

- It is possible that GTIS will enter into transactions with certain Investors such as, for example, Investors who are also business partners, such as insurance agents, investment banks, broker-dealers, legal counsel or others who provide services (including mezzanine and/or other

lending arrangements) to the Firm, its Clients and portfolio investments. The terms of these transactions are negotiated on an arms' length basis; however, GTIS is subject to a conflict of interest when determining such terms because GTIS can benefit from retaining such Investors' investment in the Clients.

- On occasion, certain GTIS employees make investments for their personal accounts, some of which are in the prop tech related sectors. Some of these prop tech related businesses could provide products and services to GTIS sponsored investments. Should this occur, while any such transactions would be on an arms-length basis, nonetheless they could stand to benefit the GTIS employees if the company increases in profitability as a result of such business with GTIS sponsored investments.
- GTIS receives and generates various kinds of data and other information, including information related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information allows GTIS to better anticipate macroeconomic and other trends and otherwise develop investment strategies. As a result, GTIS often gains industry, sector and other general expertise and knowledge in connection with a company that will benefit a different Client. In such circumstances where the benefitting company is in another Client, one Client will have borne the cost for value that will benefit the other. It is possible that GTIS will in certain instances to use this information in a manner that would provide a material benefit to, or present a conflict of interest between, GTIS, its affiliates, or to certain other Clients or Investors without compensating or otherwise benefitting Client(s) from which such information was obtained. In addition, GTIS has an incentive to pursue investments in companies based on the data and information expected to be received or generated.
- The Governing Documents of each Client and related documents are detailed agreements that establish complex arrangements among GTIS, the Investors, the Client, the general partner and other entities and individuals. Questions arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While GTIS will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations GTIS adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Clients or their Investors.

## **Item 9 – Disciplinary Information**

**If there are legal or disciplinary events that are material to a client’s or prospective client’s evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.**

No events have occurred at GTIS that are applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

**A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

No GTIS management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

**B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities, disclose this fact.**

Neither GTIS nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity-trading adviser, or associated person of the foregoing, and GTIS does not anticipate such affiliations in the future. GTIS and its general partners have filed as an exempt commodity pool operator with the CFTC pursuant to Regulation 4.13(a)(3), due to its de minimis amount of commodity interest trading.

**C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.**

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. Other investment adviser or financial planner
4. Futures commission merchant, commodity pool operator, or commodity trading adviser
5. Banking or thrift institution
6. Accountant or accounting firm

- 7. Lawyer or law firm**
- 8. Insurance company or agency**
- 9. Pension consultant**
- 10. Real estate broker or dealer**
- 11. Sponsor or syndicator of limited partnerships.**

GTIS has no arrangement with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, financial planner, futures commission merchant, commodity pool operator, commodity trading adviser, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory services or its Investors.

As mentioned in Item 4 above, GTIS has a relationship with GTAM, an investment adviser that is also registered with the SEC. GTAM manages a variety of absolute return strategies, which invest in bank debt, high yield bonds, distressed debt, middle market loans, and equities. GTAM is a minority limited partner of GTIS and receives a portion of GTIS' income, except for income that is attributable to investment management services rendered to GTAM. GTIS acquires, manages and disposes of equity investments on behalf of GTAM entities and receives Compensation in connection therewith.

From time to time, GTAM invests side-by-side with select GTIS Clients. In such circumstances, in electing to invest side-by-side with a GTIS Client, GTAM will pay their proportionate share of investment costs with each Client. Given the investment allocation policy described above in Item 6, and the proportionate basis by which GTAM invests in or alongside each Client, GTIS does not consider this arrangement to create a material conflict of interest between Clients.

As mentioned in Item 4 above, GTIS is affiliated with the general partners of each of its Clients and with its relying adviser. These general partners and relying adviser are deemed registered with the SEC under the Advisers Act pursuant to GTIS' registration. GTIS provides personnel and other services to the general partners and relying adviser who operate as a single advisory business together with GTIS. These general partners do not have employees of their own; GTIS, the general partners and relying adviser share common owners, officers, partners, employees, consultants or persons occupying similar positions.

GTIS has and will continue to develop relationships with professionals who provide services it does not provide, including: legal; accounting; banking; investment banking; tax preparation; insurance brokerage; and other services. Some of these professionals may provide services to the principals, the Funds or their portfolio investments. Additionally, some of these professionals invest in GTIS Clients, either personally or through their company.

From time to time, GTIS receives training, information, promotional material, meals, gifts, entertainment or other perquisites from vendors and others with whom it does business or to whom it makes referrals. GTIS does not accept benefits, gifts, entertainment or other arrangements that are conditioned on directing individual Client transactions to a specific security, product or provider and GTIS has procedures in place to limit and report these occurrences.

**D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.**

GTIS does not recommend or select other investment advisers for its Clients.

#### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

**A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC Rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.**

##### **Code of Ethics**

As fiduciaries, GTIS and its supervised persons have certain legal obligations to put Clients' interest ahead of their own. GTIS has adopted a Code of Ethics (the "Code of Ethics") in accordance with the requirements of Rule 204A-1 of the Advisers Act which is based on principles of openness, honesty, integrity and trust. The Code of Ethics sets out standards of business and personal conduct for each supervised person and the policies regarding personal trading and reporting of personal securities transactions, gifts and entertainment, outside business activities, among other topics.

All supervised persons must acknowledge in writing the terms of the Code of Ethics initially upon hire and annually thereafter. Supervised persons of GTIS who violate the Code of Ethics will be subject to remedial actions. Supervised persons are also required to promptly report any violations of the Code of Ethics of which they become aware and a confidential hotline has been put in place to make reporting easier.

GTIS will provide a copy of its Code of Ethics to any existing Investor upon request to its Chief Compliance Officer, Amy Boyle, at (212) 220-5200.

**B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

#### **Participation or Interest in Client Transactions**

GTIS and certain employees and affiliates have invested in and alongside the Clients, either through the general partners, as direct Investors in the Clients or otherwise. A Client or its general partner, as applicable, is permitted to exempt such person from all or a portion of the Management Fee or Incentive Fee.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client (*i.e.*, an owner, employee or affiliate of the adviser). Cross trades between clients can be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either client. In the context of GTIS' business, a principal transaction would most likely refer to the practice of warehousing an investment for the formation of a future Client or GTIS or a general partner purchasing the interest of an existing Investor. Agency cross transactions occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as broker) between two or more different clients that are managed by that same adviser or an affiliate. Agency cross transactions can also arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the asset) for effecting the transaction and therefore is not considered to be conducting an agency cross transaction under Section 206(3) of the Advisers Act. In the context of GTIS' business, an agency cross transaction would occur when selling an investment from one Client to another.

In the event GTIS recommends a principal transaction or agency cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of both participating clients; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the Investors, general partner or advisory committee, as appropriate; (iv) if necessary, consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

During 2020, two GTIS Funds participated in an agency cross transaction in which the Firm ensured that (i) the transaction was in the best interests of the participating Funds; (ii) the transaction was permitted under each Fund's Governing Documents; (iii) disclosure was made to the advisory board and Investors of each participating Fund; (iv) consent was received from the

participating Funds' advisory boards and/or Investors in accordance with the participating Funds' Governing Documents; and (v) best execution was obtained in terms of fair pricing for the transaction.

### **Conflicts of Interest**

If any matter arises that GTIS determines in its good faith constitutes an actual conflict of interest, GTIS will take such actions as are necessary or appropriate, within the context of any applicable Client's Governing Documents, to address the conflict.

**C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

### **Personal Trading**

The personal trading policy for GTIS supervised persons is set forth in GTIS' Code of Ethics and is acknowledged as received and understood by each supervised person. GTIS' personal trading policies are designed to ensure that no Client is disadvantaged by the transactions executed by a supervised person and that supervised persons in no respect misappropriate any benefit properly belonging to a Client.

The Code of Ethics includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated. GTIS' supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding publicly traded securities or communicating material non-public information about such securities to others. The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions. GTIS maintains a restricted list of issuers about which it has or may have material nonpublic information. Supervised persons are required to submit annual and quarterly brokerage account reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest. Supervised persons are also required to pre-clear with the Compliance Department certain reportable securities transactions. As such, provided that they comply with the Code of Ethics, GTIS supervised persons are permitted to engage in certain personal securities transactions, including investing in GTIS Clients.

The principals and employees of GTIS carry on investment activities for their own account and for family members, friends or others who do not invest in the Clients, and in connection therewith, can potentially give advice and recommend securities which differs from advice given

to, or securities recommended or bought for, the Clients, even if their investment objectives are the same or similar. In addition, principals, employees and affiliates are permitted to buy securities in transactions offered to but rejected by Clients or that are outside the Clients' investment mandate.

**D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

Because of the private nature of its portfolio investments, GTIS does not typically face a situation where a supervised person buys or sells a security for his or her own account at or about the same time that the Firm is also buying or selling the same securities for Client accounts. In the event this were to occur, the supervised person would be required to seek pre-approval from the Chief Compliance Officer for such transaction.

## **Item 12 – Brokerage Practices**

**A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).**

Based on the nature of the investment strategies employed for the Clients, GTIS generally does not make use of securities broker-dealers in the traditional sense to buy and sell portfolio investments on behalf of the Clients; rather, the GTIS investments consist of privately negotiated real estate transactions (e.g., purchases, sales, joint ventures or financings). In such privately negotiated transactions, best execution is met by the consummation of the deal with the best possible terms for the Client. In pursuit of best execution in both privately negotiated or publicly traded transactions, GTIS or an affiliate will, on occasion, engage the services of a real estate broker for the purchase or sale of a property or a mortgage broker for the financing or refinancing of debt on a property. When considering retaining the services of such brokers, GTIS will consider such factors based on GTIS' best judgment of who can provide best execution and will take into consideration a variety of factors, including: GTIS' prior experience in working with the broker; the broker's execution capability, financial responsibility, reputation and expertise within the industry; the broker's responsiveness to the Firm; the broker's expertise in dealing with investments that may be restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services provided; and the commission rates, among other factors the Firm deems relevant to the specific transaction.



While GTIS generally seeks competitive commission rates, it is possible that it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker that operates outside of a competitive bidding environment. Transactions that involve specialized services on the part of the broker can thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

**1. Research and Other Soft Dollar Benefits.**

GTIS does not receive research or other soft dollar benefits in connection with securities transactions for any Client accounts.

**2. Brokerage for Client Referrals.**

GTIS does not receive Client referrals in connection with considering, selecting or recommending broker-dealers.

**3. Directed Brokerage.**

The Firm does not enter into directed brokerage arrangements.

**B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

In the event GTIS were to aggregate the purchase or sale of securities for Client accounts, it will do so on a pro rata basis.

**Item 13 – Review of Accounts**

**A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

Each Client has specific investment criteria and limitations set forth in its Governing Documents. Before GTIS makes an investment on behalf of a Client, members of the applicable Investment Committee evaluate whether the investment will satisfy the particular investment criteria and limitations applicable to that Client. In addition, in the case of the Separate Accounts managed on a non-discretionary basis, generally Client approval will be required before GTIS can make an investment.

After an investment is made, GTIS' asset management, finance and compliance personnel, together with the Senior Managing Director(s) who are responsible for that investment who are also member(s) of the Investment Committee, will continuously monitor the investment. Any decision to sell or materially modify the business or financial terms of investments is made and formally documented by the members of the applicable Investment Committee for that Client. Any decision to sell or materially modify the business or financial terms of investments of the Separate Account Clients are subject in certain cases to the approval of such Separate Account Client.

As a part of the regular asset management and reporting process, GTIS reviews and monitors the capital allocations to different property types, asset classes and geographies, which is regularly examined and discussed by the investment team and the relevant Investment Committee. The overall management of GTIS' investments occurs in regular weekly, monthly and quarterly meetings held via phone or in person; many of these reviews include the participation of GTIS' operating partners. Any strategic recommendations for adjustment to the concentration of capital in a sector or geography is reviewed and submitted, as warranted, to the relevant Investment Committee.

Throughout the investment identification, asset management and disposition process, GTIS focuses on generating optimal risk-adjustment returns by prioritizing capital preservation and risk mitigation in its investments.

**B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

See Item 13.A., above.

**C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

Client Investors receive quarterly and annual reports summarizing the performance of portfolio investments. Investors also receive financial statements and fair market valuations in accordance with the applicable accounting standards followed for that Client. Investors of each Client receive unaudited financial statements for the first three quarters of each fiscal year within 45 or 60 days (depending on the Governing Documents) of each quarter's close and an annual audited financial statement within 90 to 120 days of calendar year end. All reports are written and delivered to Investors electronically. GTIS also has frequent contact with Investors (personal visits, telephone, email, WebEx conference calls) throughout the year as requested and as conditions warrant.

In the course of conducting due diligence, Investors periodically request information pertaining to GTIS' investments. GTIS responds to these requests, and in answering these requests provides information that is not always made available to other Investors who have not requested such information. While GTIS does not have an obligation to update any such information provided, the Firm endeavors to provide the information requested in the most current form available. Additionally, as it pertains to existing Investors, upon request or pursuant to contractual obligations, certain Investors receive additional information and reporting that other Investors do not receive. The fact that GTIS provides such information upon request to one or more Investors does not obligate GTIS to affirmatively provide such information to all Investors. As a result, certain Investors will have more information about a Fund than other Investors, and GTIS has no duty to, and does not intend to, ensure all Investors seek, obtain or possess the same information regarding a Client and its investments.

#### **Item 14 – Client Referrals and Other Compensation**

**A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**

As mentioned in Item 8, above, as part of the joint venture arrangement with operating partners in managing real estate projects, GTIS receives compensation reimbursements related to functions performed by GTIS, which reduces the reimbursements absorbed by Client Investors in the amount equal to those made by third-party joint venture operating partners according to the operating partner's pro-rata share of the joint ventures. In some instances, the Clients will pay more than their allocable ownership portion of a joint venture's reimbursements. GTIS does not believe this to be a conflict of interest in that any fees received from a joint venture operating partner serve to offset, to some extent, the amount of reimbursements paid by Client Investors.

Additionally, although not material, a GTIS Senior Managing Director serves on the Board of Directors of a publicly traded homebuilder, LGI Homes ("LGI"). LGI was previously a privately held investment of a GTIS Client, during which time the GTIS partner was appointed to LGI's Board of Directors. While LGI was an investment, the fees earned by the GTIS partner for his board duties were remitted to the Client. LGI is now a public company and is no longer owned by the GTIS Client. The GTIS partner retained his seat on the LGI Board of Directors and now remits his board fees to GTIS directly, not to the Client.

**B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation**

GTIS has relationships with various types of intermediaries in connection with offering interests in the Clients to prospective Investors. Such intermediaries include, for example, other individuals and firms that market interests in a Client to prospective Investors in return for compensation based upon the subscriptions made by such prospective Investors (each, a “Placement Agent”). All Placement Agents with whom GTIS engages are or will be registered broker-dealers as required by law or regulation.

To date, when Placement Agents are used, the relevant Client is charged a fee that is generally a percentage of total commitments received through the Placement Agent. Management Fees paid by the Client to GTIS are offset by any such Placement Agent fees (although related expenses incurred pursuant to the relevant Placement Agent agreement, including but not limited to Placement Agent travel, meals and entertainment expenses, typically are borne by the relevant Client). Some Placement Agents require Investors they close into the relevant Client to pay them an upfront selling commission.

**Item 15 – Custody**

**If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.**

By the ability of a general partner to deduct fees from Client accounts and GTIS’ affiliation with each Client’s general partner, GTIS is deemed to have custody over its U.S. Clients. In order to comply with Advisers Act Rule 206(4)-2 (the “Custody Rule”), GTIS has elected to undergo an annual audit pursuant to United States generally accepted accounting principles (“GAAP”) by an independent public accountant registered with and subject to inspection by the Public Company Accounting Oversight Board for each of the U.S. Clients over which it is deemed to have custody. These GTIS Clients are audited annually by nationally recognized accounting firms as permitted under Client Governing Documents, and GTIS delivers to the Clients and their Investors a copy of the annual audited financial statements within 90 to 120 days of the fiscal year end. In addition, upon the final liquidation of a Fund, GTIS will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Client to all underlying Investors promptly upon completion of the audit.

For non-U.S. Clients, audits are performed in accordance with International Financial Reporting Standards (“IFRS”) or Luxembourg GAAP, in accordance with Client Governing Document requirements.

Financial statements for Clients organized outside of the U.S. that have U.S. Investors are (i) prepared in accordance with IFRS, including an audited U.S. GAAP reconciliation footnote in relation to any material differences; (ii) audited in accordance with U.S. Generally Accepted Auditing Standards; and (iii) distributed to the Client’s Investors within 120 days after the Client’s fiscal year-end.

Financial statements for Clients organized outside of the U.S. that do not have U.S. Investors are (i) prepared in accordance with IFRS or GAAP in the country in which the Client is organized; (ii) audited in accordance with U.S. Generally Accepted Auditing Standards; and (iii) distributed to the Client’s Investors within 120 days after the Client’s fiscal year-end.

GTIS does not accept physical possession of client money or securities (other than certain privately offered securities to the extent permitted by the Advisers Act); called capital is directly sent or wired into Client bank accounts. Each Client and Separate Account uses a bank as a qualified custodian for Investor cash accounts and, if necessary, a qualified custodian for certificated securities. GTIS and the Separate Account Clients receive monthly statements from the appropriate qualified custodial bank(s) for capital account balances and activity and quarterly statements from the appropriate qualified custodian(s) for security balance and activity, if any. The Separate Account Clients receiving custodial statements are encouraged to compare these statements with those received from GTIS, but to note that for some of the Separate Accounts, these custodial statements will only represent a portion of the investment in such Separate Account.

#### **Item 16 – Investment Discretion**

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

Except for its non-discretionary Separate Account Clients, GTIS is retained on a fully discretionary basis and is authorized to determine and direct the execution of portfolio transactions pursuant to the terms of each Client’s Governing Documents. Such discretion is granted through the Governing Documents of such Client, which contains a power of attorney or similar authority. For discretionary Clients, investment advice is provided directly to the Clients, subject to the discretion and control of the relevant general partner, and not to Investors in the Clients

individually. With limited exceptions, such as certain conflicts of interest as discussed elsewhere in this Brochure, GTIS is not required to contact an Investor prior to transacting business once an Investor executes these documents. Approval for transacting business is required, however, for an investment in the non-discretionary Separate Accounts as GTIS does not have similar discretionary authority over such Clients.

An Investor can seek to impose limitations on GTIS' authority through a side letter agreement and GTIS can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon GTIS' investment authority with respect to an Investor's account must be presented to GTIS in writing and agreed to by GTIS and such Investor. Other Investors meeting certain commitment thresholds can be provided with notification provisions regarding such side letter agreements but are not provided with consent rights regarding such agreements.

#### **Item 17 – Voting Client Securities**

**A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**

By virtue of the Client Governing Documents, GTIS has the authority to vote proxies on behalf of its Clients that are managed on a discretionary basis. As such, GTIS has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. GTIS' proxy voting policy seeks to ensure that it votes proxies in the best interest of its Clients, including where there are material conflicts of interest in voting proxies. GTIS is an active investor on behalf of its Clients, and retains material rights to participate in the governance of its non-public investments and, when applicable, to vote proxies on publicly traded securities in which it invests on behalf of its Clients. Because of the active role GTIS takes in connection with many of its investments, it is GTIS' practice to review and vote proxies on a case-by-case basis. The nature of its proxies, however, does not generally involve public shareholder proxies. Regardless, neither Clients nor Investors in such Clients can direct how GTIS votes proxies, nor is GTIS required to seek Client or Investor approval or direction when voting proxies.

GTIS' Senior Managing Director responsible for the particular investment is generally responsible for: (i) monitoring matters requiring voting (for example, major leases, capital improvements, financings, asset sales, and other major decisions); (ii) identifying any potential conflicts of

interest that may arise in the proxy voting process and informing the Chief Compliance Officer in the event such a conflict arises; and (iii) deciding what is in the best interest of each particular Client when determining how proxies are voted based on all of the facts and circumstances known to the Senior Managing Director at that time and voting as appropriate. GTIS will act in a timely manner and in the best interest of each Client with respect to any such actions.

As required by Rule 204-2 of the Advisers Act, GTIS maintains records regarding the manner in which it: (i) administers its policies and procedures; and (ii) votes proxies for its Clients. Clients can obtain a copy of GTIS' proxy voting policy upon request, free of charge, from GTIS' Chief Compliance Officer, Amy Boyle, at (212) 220-5200. Clients can also obtain information from GTIS, free of charge, about how GTIS voted previous proxies, if any.

**B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.**

This Item is not applicable to GTIS.

#### **Item 18 – Financial Information**

**A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.**

GTIS does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

**B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.**

GTIS has no financial condition that impairs its ability to meet contractual and fiduciary commitments to Investors.

**C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.**

GTIS has not been the subject of a bankruptcy petition at any time during the past ten years.